

# Senate Study Bill 1120

SENATE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
LABOR AND BUSINESS RELATIONS  
BILL BY CHAIRPERSON DEARDEN)

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

## A BILL FOR

1 An Act providing for fair share agreements relating to collective  
2 bargaining and providing an effective date.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
4 TLSB 1856XC 82  
5 ec/je/5

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1 1 Section 1. Section 20.8, subsection 4, Code 2007, is  
1 2 amended to read as follows:  
1 3 4. Refuse to join or participate in the activities of  
1 4 employee organizations, including the payment of any dues,  
1 5 fees or assessments or service fees of any type, except as  
1 6 provided in section 20.9.  
1 7 Sec. 2. Section 20.9, Code 2007, is amended to read as  
1 8 follows:  
1 9 20.9 SCOPE OF NEGOTIATIONS.  
1 10 1. The public employer and the employee organization shall  
1 11 meet at reasonable times, including meetings reasonably in  
1 12 advance of the public employer's budget-making process, to  
1 13 negotiate in good faith with respect to wages, hours,  
1 14 vacations, insurance, holidays, leaves of absence, shift  
1 15 differentials, overtime compensation, supplemental pay,  
1 16 seniority, transfer procedures, job classifications, health  
1 17 and safety matters, evaluation procedures, procedures for  
1 18 staff reduction, in-service training, fair share agreements,  
1 19 and other matters mutually agreed upon. Negotiations shall  
1 20 also include terms authorizing dues checkoff for members of  
1 21 the employee organization, terms for payroll deduction of fair  
1 22 share fees of nonmembers of the employee organization, and  
1 23 grievance procedures for resolving any questions arising under  
1 24 the agreement, which shall be embodied in a written agreement  
1 25 and signed by the parties. If an agreement provides for dues  
1 26 checkoff, a member's dues may be checked off only upon the  
1 27 member's written request and the member may terminate the dues  
1 28 checkoff at any time by giving thirty days' written notice.  
1 29 Such obligation to negotiate in good faith does not compel  
1 30 either party to agree to a proposal or make a concession.  
1 31 2. a. Notwithstanding any provision of state law to the  
1 32 contrary, a negotiated agreement for fair share fees shall not  
1 33 provide for the termination of the employment of a public  
1 34 employee for failure to pay membership dues and charges or  
1 35 fair share fees of an employee organization, but shall provide  
2 1 that, commencing on the effective date of a collective  
2 2 bargaining agreement which provides for a fair share fee, the  
2 3 public employer shall deduct once each month from the wages or  
2 4 salaries of nonmembers of the certified employee organization  
2 5 the amount of the fair share fee and transmit the amount  
2 6 deducted to the certified employee organization within  
2 7 fourteen days of the deduction.  
2 8 b. Every negotiated agreement for fair share fees shall  
2 9 conform with the requirements of the Constitution of the  
2 10 United States and the Constitution of the State of Iowa, and  
2 11 shall provide, if required, for the following:  
2 12 (1) The certified employee organization may charge  
2 13 nonmembers of the employee organization a fair share fee,  
2 14 which shall not exceed the amount of dues and charges required  
2 15 to be paid by a member in good standing of the employee  
2 16 organization.  
2 17 (2) The certified employee organization shall furnish  
2 18 advance written notice of the amount of the fair share fee to

2 19 the nonmember employees who will be assessed the fee. The  
2 20 notice shall inform the nonmember of a procedure by which the  
2 21 nonmember may object to and receive a reduction of the pro  
2 22 rata share of the fee attributed to purposes unrelated to  
2 23 collective bargaining, contract administration, or the pursuit  
2 24 of other matters affecting wages, hours, and other conditions  
2 25 of employment. The notice also shall inform the nonmember of  
2 26 a procedure by which the nonmember is afforded an opportunity  
2 27 to challenge the amount of the fee before an impartial  
2 28 decision maker. All fees reasonably in dispute during the  
2 29 challenge period shall be held by the certified employee  
2 30 organization in an interest-bearing escrow account until final  
2 31 resolution is made by the impartial decision maker, at which  
2 32 time such funds shall be disbursed in accordance with the  
2 33 decision maker's award.

2 34 (3) The public employer shall provide the certified  
2 35 employee organization with a list of the names and addresses  
3 1 of all nonmember employees in the bargaining unit that is  
3 2 represented by the employee organization.

3 3 3. Nothing in this section, section 20.8, or in the terms  
3 4 of a fair share agreement shall be deemed to require a public  
3 5 employee to become a member of an employee organization.

3 6 4. Nothing in this section shall diminish the authority  
3 7 and power of the department of administrative services, board  
3 8 of regents' merit system, Iowa public broadcasting board's  
3 9 merit system, or any civil service commission established by  
3 10 constitutional provision, statute, charter or special act to  
3 11 recruit employees, prepare, conduct and grade examinations,  
3 12 rate candidates in order of their relative scores for  
3 13 certification for appointment or promotion or for other  
3 14 matters of classification, reclassification or appeal rights  
3 15 in the classified service of the public employer served.

3 16 5. All retirement systems shall be excluded from the scope  
3 17 of negotiations.

3 18 Sec. 3. Section 731.3, Code 2007, is amended to read as  
3 19 follows:

3 20 731.3 CONTRACTS TO EXCLUDE UNLAWFUL.

3 21 ~~It~~ Except as provided in sections 20.8, 20.9, and 731.4A,

3 22 it shall be unlawful for any person, firm, association,  
3 23 corporation or labor organization to enter into any  
3 24 understanding, contract, or agreement, whether written or  
3 25 oral, to exclude from employment members of a labor union,  
3 26 organization or association, or persons who do not belong to,  
3 27 or who refuse to join, a labor union, organization or  
3 28 association, or because of resignation or withdrawal  
3 29 therefrom.

3 30 Sec. 4. Section 731.4, Code 2007, is amended to read as  
3 31 follows:

3 32 731.4 UNION DUES AS PREREQUISITE TO EMPLOYMENT ==

3 33 PROHIBITED.

3 34 ~~It~~ Except as provided in sections 20.8, 20.9, and 731.4A,

3 35 it shall be unlawful for any person, firm, association, labor  
4 1 organization or corporation, or political subdivision, either  
4 2 directly or indirectly, or in any manner or by any means as a  
4 3 prerequisite to or a condition of employment to require any  
4 4 person to pay dues, charges, fees, contributions, fines or  
4 5 assessments to any labor union, labor association or labor  
4 6 organization.

4 7 Sec. 5. NEW SECTION. 731.4A FAIR SHARE FEE AGREEMENTS.

4 8 A labor union, labor association, labor organization, or  
4 9 employee organization, which is the certified or recognized  
4 10 exclusive representative for collective bargaining under  
4 11 applicable federal or state law, may enter into an agreement  
4 12 with the employer of the employees it is certified or  
4 13 recognized to represent in collective bargaining that, as a  
4 14 condition of continued employment, requires employees, after  
4 15 thirty days of employment, either to become a member of the  
4 16 certified or recognized labor union, labor association, labor  
4 17 organization, or employee organization, or to pay a fair share  
4 18 fee to the extent permitted by the Constitution of the United  
4 19 States, the Constitution of the State of Iowa, and federal  
4 20 law. Nothing in this section shall be deemed to require an  
4 21 employee to become a member of a labor union, labor  
4 22 association, labor organization, or employee organization.

4 23 Sec. 6. EFFECTIVE DATE. This Act, being deemed of  
4 24 immediate importance, takes effect upon enactment.

4 25 EXPLANATION

4 26 This bill authorizes the negotiating of fair share  
4 27 agreements in collective bargaining agreements.

4 28 Code chapter 20, concerning collective bargaining for  
4 29 public employment, is amended to authorize fair share

4 30 agreements. Code section 20.9 is amended to provide that the  
4 31 scope of negotiations for purposes of a collective bargaining  
4 32 agreement includes negotiating fair share agreements and the  
4 33 terms for payroll deductions of fair share fees for nonmembers  
4 34 of an employee organization. The bill provides that a  
4 35 negotiated fair share agreement shall provide that the public  
5 1 employer deduct once each month from the wages of nonmembers  
5 2 of an applicable employee organization the amount of the fair  
5 3 share fee and transmit it to the certified employee  
5 4 organization within 14 days of the deduction. The bill  
5 5 further requires that the agreement for fair share fees  
5 6 provide that the fair share fee shall not exceed the amount of  
5 7 dues and charges required of a member of the employee  
5 8 organization, that the certified employee organization provide  
5 9 advance written notice of the fee and a procedure for  
5 10 nonmembers to object to and receive a reduction of the share  
5 11 of the fee unrelated to collective bargaining, contract  
5 12 administration, and other related matters, that an impartial  
5 13 procedure be provided for resolving fair share fee disputes,  
5 14 and that the public employer furnish the employee organization  
5 15 with a list of the names and addresses of all nonmembers. The  
5 16 bill also provides that nothing in a fair share agreement  
5 17 shall provide for the termination of employment for failure to  
5 18 pay a fair share fee or shall require a public employee to  
5 19 become a member of an employee organization.  
5 20 Code chapter 731, concerning labor union membership, is  
5 21 also amended to authorize fair share agreements. New Code  
5 22 section 731.4A provides that a labor union may enter into an  
5 23 agreement with an employer that, as a condition of continued  
5 24 employment, requires employees whom the union is certified to  
5 25 represent to become a member of the labor union or to pay a  
5 26 fair share fee to the extent permitted by the United States  
5 27 Constitution, the Iowa Constitution, and applicable federal  
5 28 law. The new Code section provides that nothing in this Code  
5 29 section shall be deemed to require an employee to become a  
5 30 member of a labor union.  
5 31 The bill takes effect upon enactment.  
5 32 LSB 1856XC 82  
5 33 ec:rj/je/5.1